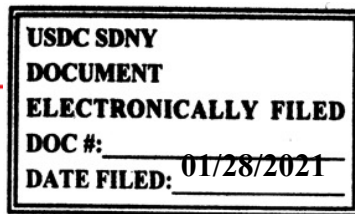


**THOMPSON
HINE**



TI COLUMBUS NEW YORK
CLEVELAND DAYTON WASHINGTON, D.C.

January 27, 2021

MEMO ENDORSED

VIA ECF

Hon. Katharine H. Parker
United States Magistrate Judge
Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, New York 10007

The Clerk of Court is requested to seal the transcript currently on ECF #176. The Court Reporter is directed to make the proposed redactions set forth in Exhibit 1 that is attached to this order.

APPLICATION GRANTED

Katharine H. Parker
Hon. Katharine H. Parker, U.S.M.J.

01/28/2021

Re: *Spectrum Dynamics Medical Limited v. General Electric Company, et al.*,
Case No.: 18-cv-11386 (VSB)

Dear Judge Parker:

On behalf of Defendant General Electric Company ("GE"), we write pursuant to Federal Rule of Civil Procedure 5.2(e), Your Honor's Individual Rule of Practice III(d), and the parties' Stipulated Confidentiality and Protective Order (the "Protective Order") (Doc. 156) to request that certain lines contained in Document Number 176, the transcript of the parties' appearance before Your Honor on January 8, 2021, be redacted and filed under seal. GE respectfully requests that before the transcript is made publicly available, the court reporter be directed to redact the statements at page 42, lines 18 through 25, page 43, lines 2 through 6, lines 10 through 12, and lines 17 through 25, and page 44, lines 2 through 10 of the transcript. The proposed redaction is set forth in Exhibit 1 hereto. Plaintiff does not object to this request.

The presumption of public access to judicial documents can be overcome if countervailing factors warrant confidentiality. *See Lugosch v. Pyramid Co. of Onondaga*, 435 F.3d 110, 120 (2d Cir. 2006); *see also Nixon v. Warner Commc'ns Inc.*, 435 U.S. 589, 598 (1978). Sealing of records may be justified to preserve "higher values," including the need to protect an entity from competitive injury. *Lugosch*, 435 F.3d at 124; *see also Tropical Sails Corp. v. Yext, Inc.*, No. 14-cv-7582, 2016 U.S. Dist. LEXIS 49029, at *10-11 (S.D.N.Y. Apr. 12) (risk of "competitive injury is sufficiently serious to warrant protection" of proprietary business information). Consistent with this, courts routinely permit sealing and redaction of competitively sensitive proprietary business information. *See, e.g., Louis Vuitton Malletier S.A. v. Sunny Merch. Corp.*, 97 F. Supp. 3d 485, 511 (S.D.N.Y. 2015); *Encyclopedia Brown Prods., Ltd. v. Home Box Office, Inc.*, 26 F. Supp. 2d 606, 614 (S.D.N.Y. 1998); *see also Nixon*, 435 U.S. at 598 (recognizing need to seal information that might "harm a litigant's competitive standing").

Here, the discussion in the transcript (Doc. 176 at 42:18-25, 43:2-6, 43:10-12, 43:17-25, 44:2-10) concerns GE's development of a certain product that is not publicly available. That information is competitively sensitive and proprietary information of GE that, if disclosed, would pose a substantial risk of harm to GE. and constitutes "Highly Confidential – Attorneys' Eyes Only" information under the Protective Order. (Doc. 156.). This is the sort of competitively sensitive information that courts consistently protect from disclosure. *See, e.g., Ferring B.V. v.*

Marla.Butler@ThompsonHine.com Fax: 404.541.2905 Phone: 404.407.3680

THOMPSON HINE LLP
ATTORNEYS AT LAW

Two Alliance Center
3560 Lenox Road, Suite 1600
Atlanta, Georgia 30326-4266

www.ThompsonHine.com
Phone: 404.541.2900
Fax: 404.541.2905

Allergan, Inc., No. 12-cv-2650, 2017 U.S. Dist. LEXIS 150239, at *16 (S.D.N.Y. Sep. 7) (granting motion to seal documents containing proprietary information related to product development); *Encyclopedia Brown*, 26 F. Supp. 2d at 612 (sealing documents reflecting sensitive trade secret information). This is particularly the case where, as here, the information to be sealed was not relevant to the Court’s resolution of any issue. *Cf. Bernstein v. Bernstein Litowitz Berger & Grossman LLP*, 814 F. 3d 132, 143 (2d Cir. 2016) (denying sealing request where documents were “highly relevant to the exercise of Article III judicial power”).

GE’s request is narrowly tailored to protect GE’s highly confidential information and does not deprive the public of access to critical information. GE respectfully requests that the Court permit GE’s requested redaction in the publicly available version of the January 8, 2021 transcript (Doc. 176).



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Very truly yours,

/s/ Marla R. Butler

THOMPSON HINE LLP

Marla R. Butler

Carl Wesolowski (*pro hac vice*)

Lauren Hogan (*pro hac vice*)

Two Alliance Center

3560 Lenox Road NE, Suite 1600

Atlanta, Georgia 30326

Tel.: (404) 541-2900

Fax: (404) 541-2905

Marla.Butler@ThompsonHine.com

Carl.Wesolowski@ThompsonHine.com

Lauren.Hogan@ThompsonHine.com

Brian Lanciault

335 Madison Avenue, 12th Floor

New York, New York 10017

Tel.: (212) 344-5680

Fax: (212) 344-6101

Brian.Lanciault@ThompsonHine.com

Jesse Jenike-Godshalk (*pro hac vice*)

312 Walnut Street, Suite 1400

Cincinnati, Ohio 45202

Tel.: (513) 352-6700

Fax: (513) 241-4771

Jesse.Godshalk@ThompsonHine.com

Jeffrey Metzcar

Discovery Place

10050 Innovation Drive

Miamisburg, Ohio 45342

Tel. (937) 443-6841

Fax (937) 430-3781

Jeff.Metzcar@thompsonhine.com

Attorneys for Defendants

General Electric Company, GE Healthcare,

Inc., GE Medical Systems Israel Ltd., Jean-

Paul Bouhnik, Sergio Steinfeld,

Arie Escho, and Nathan Hermony and for Non-

Party Yaron Hefetz

cc: All Counsel of Record via ECF

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re: :
SPECTRUM DYNAMICS MEDICAL LIMITED, : Docket #1:18-cv-11386-
 : VSB-KHP
 :
 Plaintiff, :
 :
 - against - :
 :
 GENERAL ELECTRIC COMPANY, et al., : New York, New York
 : January 8, 2021
 Defendants. :
 : TELEPHONE CONFERENCE
 ----- :
 :

PROCEEDINGS BEFORE
THE HONORABLE JUDGE KATHARINE H. PARKER,
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

For Plaintiff: RIVKIN RADLER LLP
BY: GREGORY D. MILLER, ESQ.
25 Main Street
Court Plaza North - Suite 501
Hackensack, New Jersey 07601
201-287-2460

GREENBLUM & BERNSTEIN, P.L.C.
BY: NEIL F. GREENBLUM, ESQ.
PETER BRANKO PEJIC, ESQ.
1950 Roland Clarke Place
Reston, Virginia 20191
703-716-1191

Transcription Service: Carole Ludwig, *Transcription Services*
155 East Fourth Street #3C
New York, New York 10009
Phone: (212) 420-0771
Email: Transcription420@aol.com

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electronic sound recording;
Transcript produced by transcription service

APPEARANCES - CONTINUED:

For Defendants:

THOMPSON HINE

BY: MARLA R. BUTLER, ESQ.

Two Alliance Center

3560 Lenox Road NE, Suite 1600

Atlanta, Georgia 30326

404-541-2900

THOMPSON HINE LLP

BY: JESSE L. JENIKE-GODSHALK, ESQ.

312 Walnut Street - 14th Floor

Cincinnati, Ohio 45202

513-352-6702

THOMPSON HINE LLP

BY: BRIAN PHILIP LANCIAULT, JR.

335 Madison Avenue

New York, New York 10017

212-908- 3945

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None

1 PROCEEDINGS 4

2 THE CLERK: Calling case 18 civil 11386, Spectrum
3 Dynamics Medical vs. General Electric Company, the
4 Honorable Katharine H. Parker, presiding.

5 Beginning with counsel for the plaintiffs, could
6 you please make your appearance for the record?

7 MR. GREGORY MILLER: Good morning, your Honor,
8 Gregory Miller from Rivkin Radler LLP, on behalf of the
9 plaintiff. And also with me on the line is Neil Greenblum and
10 Branko Pejic from the Greenblum & Bernstein.

11 HONORABLE KATHARINE H. PARKER (THE COURT): Hello.

12 MR. NEIL GREENBLUM: Good morning.

13 MR. BRANKO PEJIC: Good morning.

14 THE CLERK: And counsel for the defendants, could
15 you please make your appearance for the record?

16 MS. MARLA BUTLER: Yes. This is Marla Butler for
17 defendants. And with me on the line are Jesse Jenike-
18 Godshalk and Brian Lanciault, all three of us from Thompson
19 Hine.

20 THE COURT: Good morning.

21 MS. BUTLER: Good morning.

22 THE COURT: Okay, before we get started, just the
23 same rules apply. Keep your phones on mute, unless you're
24 speaking, for the benefit of everybody's reception, clarity of
25 hearing each other. We are making an official recording of

this conference so you can order a transcript. It has to be ordered within three days. This line is open to the press and public on a listen-only basis, and court rules prohibit the recording and rebroadcasting of court conferences. Violations of this rule may result in sanctions. And, finally, please state your name before you speak so that any court reporter that's asked to transcribe knows who's speaking. Thank you.

MR. MILLER: Thank you, your Honor.

THE COURT: Okay, so I have now had an opportunity to spend many, many hours looking through all of your various submissions. I had previously looked at the claim contentions, but I took another look through them in light of the invalidity contentions. And I also have taken a look at all of the other submissions. And I have a bunch of things on my personal agenda for this case that I wanted to just kick off before we get started, the things that we need to talk today. We have about an hour and a half, and so we may not get to everything.

One, I received the letter about the video inspection, and I do want to talk about that first because I do think that that's an important thing to be accomplished, since it may help narrow some issues.

Two, I want to deal with the request by Spectrum to serve the contention interrogatories. I reviewed

everything; I've reviewed all of the interrogatories, and I have a decision on that.

Three, we need to talk about the contentions. You have a Markman hearing scheduled in really the not-so-distant future. And you need to start getting more specific as to the claims, the invalidity contentions, and frankly, how the trade secrets pertain to the two patents in suit but also to the other 17 or so patents that, Spectrum, that you say have incorporated trade secrets. As far as I can tell, the only trade secret that you related to the patents are trade secret E as to patent 439, and trade secret I as to patent 595.

Then I'd like to deal with the briefing that you submitted regarding the two legal consultants, Kabinow and Barakett. I've reviewed your submissions, and I have some direction for you on that.

I also want to talk about a drop-dead date for getting your ESI protocol in place, and there's a few other issues that I wanted to talk with you about, just in terms of case management. Have you talked about how many depositions you're going to need? I wanted to understand whether the documents and depositions will be in Hebrew with translators or in English or some combination. I also had some other questions about the upcoming Markman hearing

that's before Judge Broderick. Do you intend to offer any extrinsic evidence at all or use experts for that? And I also wanted to better understand whether you're anticipating any potential privilege issues or disqualification-of-counsel issues. So there's a lot of different things that I think we need to talk about.

First, though, let's talk about the video inspection. I received a letter from Spectrum proposing -- making some proposals as to timing and so forth. Have you gotten -- since you submitted that letter, have you gotten any better clarity about when a video inspection could occur?

MR. BRANKO PEJIC: Your Honor, this is Branko Pejic for Spectrum. We have offered to defendants to make video inspection available approximately within a week of them proposing some dates. It'll take us a little bit of lead time to set it up, and with the caveat that we don't want to have multiple inspections. And with that being said, we're happy to move forward as expeditiously as defendants would like.

THE COURT: All right, so, first, I don't think it's reasonable to say that there can never be another inspection of the device. So that's not -- I'm not going to bar another in-person inspection right now. The purpose

of having a video inspection, which is not at all the same as an in-person inspection, is to help crystalize the issues and potentially eliminate some claims, because as I understand from your statements in the last conference, you don't think there's an infringement in that the claims are based on a device that's not actually the device that's in use in the United States and being off of the VERITON device that's being offered for sale in the United States.

So I am not going to bar an in-person inspection. I want there to be an arranged video inspection; and it's necessarily going to be not as good as an in-person inspection because, you know, it's by video. But I want that to occur. And it's really -- I think you're overstating how onerous it is. It's not going to be that long of an inspection, but I do think to the point about experts that you raised, I do think it's important for both sides, if you are using some kind of expert in a consultant or a testifying capacity, if you have one, that it probably would be prudent to have them participate in the video session if they're helping with -- I guess it would be more likely to be a consulting expert at this point -- to just participate in that video, again, to expedite things.

MR. MILLER: In fact --

THE COURT: So, Mr. Miller --

PROCEEDINGS

9

MS. BUTLER: Your Honor --

THE COURT: -- you said that you have an expert,
is that right, already?

MR. PEJIC: Pardon me, your Honor. This is Branko
Pejic. I don't know that I understood your question.

THE COURT: Oh, do you have an expert already
designated, is that --

MR. PEJIC: The plaintiffs have identified an
expert, your Honor, but defendants have not.

THE COURT: Okay, and who is your expert?

MR. PEJIC: The expert that's been identified on
plaintiffs is Dr. Scott Metzler.

THE COURT: Okay, and where is he located, in
Israel?

MR. PEJIC: No, he's located in -- he's a
professor at Penn -- he's located in Philadelphia.

THE COURT: Okay. Fine. All right, so let me hear
from you, Ms. Butler.

MS. BUTLER: Yes, your Honor. Thank you. So I
guess just first, our understanding of the purpose of this
inspection has been exactly what your Honor just stated, to
determine if the device that is here in the United States
is so different from the device that is documented online
and elsewhere so that we can make a determination about

whether it impacts our infringement case or not.

On the expert issue, we 100% agree that it would be ideal to have experts participate in this, or at least consulting experts, if not testifying experts. I'll just put out here that the holdup for us has been that we had an expert lined up. That expert has not been disclosed yet. We recently ran into an issue with the prosecution bar in the Protective Order. And so we are in the process of trying to identify another expert that impediment would not interfere. And so that is the issue for us.

And, you know, our -- the way I see this, I will assume -- I'm assuming, and I think on this call getting clarity from you would be very helpful -- that we will be able to record this video; otherwise, we are in a situation where the parties are arguing about what was and wasn't seen. And I think we avoid that by recording it. And as long as we can record it, it's our view that we can proceed without an expert onboard because we'll have the recording of the video to use with an expert once we get that person onboard.

THE COURT: Okay. I mean, I don't see any reason why it shouldn't be recorded. It can be subject to a Protective Order, of course, if you want; but it's actually a machine in use, so it's not as if it's not

1 PROCEEDINGS 11

2 something that anybody could really -- I mean, I know
3 people aren't walking into this -- you know, walking around
4 the machine, but it's offered for sale, so it's not as if
5 it's secret in that sense. So I do think it makes sense to
6 make that recording so everybody knows just what was shown
7 on the video for purposes of clarifying the infringement
8 claim.

9 So why don't you move to get that scheduled
10 hopefully before the end of this month? Because it's
11 really -- the Markman hearing is -- you know, these things
12 really, you're going to need to move expeditiously if
13 you're going to make all those deadlines.

14 MR. PEJIC: Thank you, your Honor. This is Branko
15 Pejic on behalf of Spectrum. We may have to designate the
16 video confidential or highly confidential, depending upon
17 the level of detail that defendants ask to see. I just
18 don't know what exactly they envision, whether it's just a
19 visual inspection or if they're going to ask for certain
20 operations. But we can cross that bridge, and I'm sure the
21 parties can compromise. But I just wanted to put that out
22 there.

23 THE COURT: Yes, you can -- I have no problem with
24 you making the appropriate designations. They can always
25 be challenged after the fact, but I don't see any reason to

1 PROCEEDINGS 12

2 be focused on, you know, on having a fight about
3 confidentiality for this. So good. All right, so I think
4 that issue is settled. You're going to endeavor to get that
5 done this month.

6 Now, the Protective Order, let's just talk about
7 that for a second. Spectrum, you want your legal advisor,
8 Kabinow to be your designated person, and then GE wants
9 Barakett.

10 MR. PEJIC: This is --

11 THE COURT: Does Spectrum need Kabinow to
12 participate in this video inspection? And the same
13 question for GE. Let's first hear from Spectrum.

14 MR. PEJIC: This is Branko Pejic on behalf of
15 Spectrum. I think it's highly unlikely that Mr. Kabinow
16 would take part in any inspection. He is not a technical
17 person, as we've said in our papers, so I don't see any
18 reason why he would participate.

19 THE COURT: Okay. And what about for GE?

20 MS. BUTLER: It's not likely that Mr. Barakett
21 would participate.

22 THE COURT: All right, well, let me tell you,
23 nonetheless, since this is a relatively quick issue, what
24 my thoughts were. My thoughts were that -- I guess I --
25 let me first have a couple of questions for you,

1 PROCEEDINGS 13

2 Mr. Pejic, about Mr. Kabinow. As I understand it, there's
3 no inhouse legal counsel that Spectrum has, and so he
4 serves -- he's an outside counsel, but essentially he's
5 giving advice -- he's a dedicated outside attorney giving
6 general advice; is that right?

7 MR. PEJIC: I think that calling him inhouse,
8 serving as de facto inhouse counsel might be overstating
9 the case. He is commercial counsel to Spectrum, who also
10 has other counsel in Switzerland and Israel. And so he is
11 advised on technical issues -- sorry, not technical
12 issues -- contractual issues and commercial issues. But I
13 don't think he's -- well, I can state unequivocally he's
14 not dedicated to Spectrum.

15 THE COURT: Is he admitted to practice in Israel?

16 MR. PEJIC: No. My understanding is only in
17 Switzerland and France.

18 THE COURT: So I don't understand the purpose --
19 what is his utility in the case; what's his role in the
20 case?

21 MR. PEJIC: He understands and has been involved
22 with commercial aspects of this situation and will be able
23 to advise the client, and particularly us as trial counsel,
24 on nuances of commercial activity. He is to assist us as
25 much as he is to advise the client.

1 PROCEEDINGS 14

2 THE COURT: So it pertains to commercial. Are you
3 talking about the trade secret issues, then, that you
4 raise? Because if he's not a technical person, he's not
5 going to be dealing with the patent rights or the patent
6 infringement and inventorship; he's going to be dealing
7 with --

8 MR. PEJIC: Not technical -- I'm sorry, your
9 Honor, not at that technical level. But as defendants have
10 raised and have argued that there are transactions that led
11 from the predecessors-in-interest to Spectrum. And we will
12 have to be going through all of that and making proof to
13 your Honor, and part of the assistance of commercial
14 counsel is to assist us in putting that together.

15 THE COURT: Okay, so let me just digest this for a
16 second so that I understand. This guy was commercial
17 counsel to Spectrum but also to the predecessor-in-
18 interest; he was inhouse, and he understands the nature of
19 the transactions whereby the rights were transferred to
20 Spectrum's predecessor-in-interest and then to Spectrum.
21 And so you're saying you were not that familiar with the
22 corporate transactions and paperwork, and so that's what
23 you need his assistance on, more so on a consulting basis.
24 Is that correct?

25 MR. PEJIC: Correct, your Honor. And there's no

1 PROCEEDINGS 15

2 question that he doesn't need to be a witness to speak to
3 any of those issues because there are actually business
4 people that were involved that can speak to those issues as
5 witnesses whose testimony wouldn't be subject to privilege
6 objections.

7 THE COURT: Okay, and do you know whether he
8 was -- I assume, since he was inhouse at Spectrum, that
9 the bio --

10 MR. PEJIC: Biosensors?

11 THE COURT: Yes, biosensors, thank you; that
12 he -- was he involved in drafting or approving final
13 transaction documents?

14 MR. PEJIC: That I don't know. I don't believe
15 so, but I don't know because there was always outside
16 counsel involved in the transactions, as well.

17 THE COURT: Okay. I see. And now, that use of
18 Mr. Barakett is a little different. He's Israeli counsel,
19 is that right, Ms. Butler?

20 MS. BUTLER: That's correct, your Honor. He is in
21 Israel, where the GE business unit at issue here is and
22 where all of the individually-named defendants are, as
23 well. And so he will be integral to litigating this case
24 on a day-to-day basis because of his access to those
25 individuals.

1 PROCEEDINGS 16

2 THE COURT: Right. So he's going to help
3 translate or get documents over to you if there is any
4 privacy law issues or what have you; he's going to help
5 navigate that?

6 MS. BUTLER: That is true, your Honor.

7 THE COURT: Okay. So these are my thoughts. One,
8 with respect to Mr. Kabinow, my thought is that one way to
9 allay the concern of GE is to depose him. If you think
10 he's absolutely necessary to be deposed before he has
11 access to certain things, then you can take his deposition
12 out of turn and sooner rather than later; or,
13 alternatively, Spectrum can provide a more detailed chart
14 regarding its trade secrets before Mr. Kabinow gets access.
15 And either of those approaches will address the concerns.
16 And I do think, as we'll talk a little bit more in a
17 moment, that some greater detail is needed on the trade
18 secrets. So I do think that that can be accomplished
19 rather -- I think that that's just a solution, and so it's
20 just a matter of timing.

21 With respect to Mr. Barakett, I think there's
22 some easy solutions to address plaintiff's concern. One,
23 there was a concern raised that Mr. Barakett or his firm
24 would use information learned in this case, Attorney's Eyes
25 Only information learned in this case in litigation against

Spectrum in Israel. And it seems to me that you can simply agree that this information wouldn't be used in a litigation in Israel concerning the subject matter of this lawsuit or otherwise in contravention with the Protective Order. And, similarly, he could agree not to share the Attorney's Eyes Only information with colleagues within his firm who are prosecuting [indiscernible] on behalf of GE in Israel. And I think those kinds of agreements are an easy way, or those solutions can allow both sides to have their designated legal experts.

I don't know, Mr. Miller or Mr. Pejic?

MR. PEJIC: Okay, this is Mr. Pejic. I guess I will start off with Mr. Kabinow. I think identifying the trade secrets is a preferrable route and look forward to discussing that with your Honor because I believe that that is on the subject of DI-117. And I do agree that, your Honor, that the Protective Order issues with Mr. Barakett can probably be resolved, as well.

THE COURT: All right, Ms. Butler?

MS. BUTLER: I agree with that. I think the trade secrets route would be the way to go. I would just want to have a full understanding of what plaintiff is going to be required to do because if they are going to, you know, provide some more specificity at this point and then

1 PROCEEDINGS 18

2 Mr. Kabinow gets access to GE's highly confidential
3 information and then they further tweak or add to or
4 otherwise change those trade secrets, then we've obviated
5 the whole point of this solution.

6 MR. PEJIC: Your Honor, this is Mr. Pejic; may I
7 please respond?

8 THE COURT: Yes.

9 MR. PEJIC: Okay. First off, we are more than
10 happy to identify the trade secrets with specificity that
11 your Honor deems appropriate. We think we have done very
12 well in identifying trade secrets A through Q in as much
13 detail as we could. And those trade secrets as identified
14 in the First Amended Complaint aren't going to change. We
15 aren't going to tailor those based upon discovery we
16 receive. Consistent with the law of trade secrets in the
17 Southern District as set out in the *Unisystems* case, we may
18 have additional trade secrets we discover through
19 discovery; but at this point in time, my understanding is
20 that we have complied and will comply with further detailed
21 descriptions, per your Honor's instruction. We just don't
22 think it's appropriate to make everything at this point in
23 time final when no discovery has been provided.

24 THE COURT: Sure, sure. I understand. It's like
25 after acquired evidence you could find out that, through

1 PROCEEDINGS 19

2 discovery, that in fact there was some more massive breach
3 that has nothing to do with Mr. Kabinow. And, anyway, it
4 sounds like Mr. Kabinow is not a technical person, he
5 doesn't necessarily -- any refinement is not really going
6 to be offered by Mr. Kabinow; it's going to be offered by
7 the expert --

8 MR. PEJIC: Correct, your Honor. And I don't know
9 that Mr. Kabinow could even speak to the trade secrets if
10 deposed, to be honest with you.

11 THE COURT: Okay. All right. So that's my
12 suggested solution. And I assume, Ms. Butler, that you
13 have no issue with what I'm suggesting with respect to
14 Barakett?

15 MS. BUTLER: I don't have an issue with that. I
16 think that's what he's required to do under the Protective
17 Order, anyway; and so he'd be agreeing to do what's
18 required under the Protective Order.

19 I do, though -- I would like a further
20 understanding of what Spectrum is going to be required to
21 do with respect to specificity of trade secrets. I'm
22 hearing Mr. Pejic say on the one hand that they have
23 already identified --

24 THE COURT: Well, let's talk about that in a
25 moment.

1 PROCEEDINGS 20

2 MS. BUTLER: Okay.

3 THE COURT: We'll just --

4 MS. BUTLER: Yes.

5 THE COURT: -- this is the way I want to go with
6 these two individuals. But before we get to that, there's a
7 few other things we can knock off pretty quickly, so I want
8 to do that first.

9 With respect to the scheduled Markman hearing
10 before Judge Broderick, does GE intend to offer any
11 extrinsic evidence, any expert testimony with respect to
12 that?

13 MS. BUTLER: So GE does not believe that expert
14 testimony is needed. Now, if -- and -- on either side -- if
15 Spectrum is permitted to call an expert, then I'm sure GE
16 will call an expert because we'll need an expert to
17 respond. But GE's position is that expert testimony is not
18 needed to construe these claims which your Honor has seen.
19 And, again, this is not complicated stuff here.

20 THE COURT: Okay, and so you're contemplating that
21 really all that's going to be needed would be -- in terms
22 of evidence -- would be the information and communications
23 filed with the patent office and the patent and so forth,
24 intrinsic evidence?

25 MS. BUTLER: Yes, your Honor.

1 PROCEEDINGS 21

2 THE COURT: Okay.

3 MS. BUTLER: Yes.

4 THE COURT: Same question for Spectrum: Are you
5 anticipating that any extrinsic evidence would be used or
6 experts?

7 MR. PEJIC: At this point, your Honor, I don't
8 believe -- this is Mr. Pejic again -- I don't believe so.
9 But it is possible, depending upon what the disputed claim
10 terms turn out to be. And that's something we aren't going
11 to know for a couple of weeks. But we can certainly be
12 much more definitive when we understand that.

13 THE COURT: Okay. But for now, both sides seem to
14 think that that's not going to be needed. So that's a good
15 thing.

16 Okay, next. For the -- are there going to be any
17 depositions needed prior to the Markman hearing? Let me ask
18 Mr. Pejic.

19 MR. PEJIC: I don't believe so, your Honor. At
20 this point in time I can't think of any.

21 THE COURT: And are the depositions that you're
22 contemplating going to be in English, Hebrew, or some
23 combination?

24 MR. PEJIC: Depositions after the Markman, not
25 related to the Markman, your Honor?

1 PROCEEDINGS 22

2 THE COURT: Yes, correct.

3 MR. PEJIC: That is going to be up to the folks at
4 GE. I don't know what their language capabilities are, and
5 currently there is 70 individuals that are involved in the
6 diligence process. So I do anticipate there probably are
7 going to be language issues, but I don't know the
8 particularities as to each of those individuals that would
9 potentially be subject to a deposition.

10 THE COURT: Well, you're not taking 70 depositions
11 in this case, so let's just --

12 MR. PEJIC: Your Honor, that was the purpose of
13 why we would like to serve the contingent interrogatories
14 that I assume we'll be discussing later. Just trying to
15 streamline that.

16 THE COURT: We'll be discussing later, but there's
17 no way you're taking 70 depositions.

18 MR. PEJIC: I think, your Honor, we don't want to.

19 THE COURT: So, Ms. Butler, from the witnesses or
20 potential witnesses on the GE side, do you know how many of
21 them are fluent in English, or do you have any sense of
22 that?

23 MS. BUTLER: We don't have a good sense of that. I
24 mean, all of them can speak English, but whether or not
25 that fluency is sufficient for them to be comfortable in a

1 PROCEEDINGS 23

2 deposition context yet, your Honor, I don't know yet.

3 THE COURT: Okay. All right, that's fine.

4 In terms of the number of depositions, from GE's
5 standpoint, what is your estimate of the number of
6 depositions that GE would require, both for defense of the
7 claims against GE and the prosecution of the
8 [indiscernible] claims -- excluding experts' testimony.

9 MS. BUTLER: Yes. So I don't think this is the
10 typical case where, you know, ten depositions per side
11 would do it. I do think that, in many respects, these are
12 kind of two separate cases because each could really stand
13 on its own. And while there's some overlap, there are a lot
14 of issues that don't overlap in the trade secret case and
15 the infringement case. But I think that 15 depositions, I
16 think at this point, would do it. And we're talking fact
17 depositions, is that correct, your Honor?

18 THE COURT: Yes, fact depositions.

19 MS. BUTLER: Okay.

20 THE COURT: So what I'd like both sides to do is
21 to break down the cases; you know, the trade secret and
22 related claims, as well as the inventorship claims that
23 don't pertain to the two patents in suit, and then the
24 patent claim. And what I'd like is for you to have a meet-
25 and-confer to sketch out preliminarily who are the key

1 people in each -- with respect to those components and
2 figure out if there's any overlap. Because although there
3 is a Scheduling Order in this case, it's really not very
4 detailed, and I do think it's important to have that
5 discussion now because that's also going to help determine
6 who are custodians of electronic information, and it will
7 be a helpful exercise in figuring out who are the witnesses
8 with those separate components.

9
10 And I want you to have a conversation about that
11 this month and to -- and this is not going to be a final
12 thing, but I want you to sketch out, you know, who are some
13 of the key people. Some of them are already known because
14 Spectrum has identified a number of people already in
15 various documents who were part of due diligence, who were
16 the inventors or alleged inventors, and the other patents;
17 and GE also knows, you know, who some of the key people
18 are. So I think -- have you exchanged your initial
19 disclosures yet? Remind me.

20 MR. PEJIC: Yes, your Honor. This is Mr. Pejic --

21 MS. BUTLER: We have.

22 THE COURT: And are the initial disclosures broken
23 down in those components?

24 MR. PEJIC: I don't believe to that
25 granularity -- this is Mr. Pejic again. They are broken

1 PROCEEDINGS 25

2 down, but I'm not sure to that level of specificity between
3 trade secret and patent. I would have to look.

4 THE COURT: Yes, that's what I want you to do,
5 take a look at your initial disclosures. And I want you to
6 both supplement them with a little bit more granularity and
7 to have a little discussion about that, because I think
8 that will aid in planning out further discovery as you go
9 on and determine, you know -- and then you can help -- I
10 think what I want you to do is determine who is a priority
11 for issues that need to be decided first, who are the
12 priority witnesses or the key witnesses, because you surely
13 know who some of those people are right now. And people
14 may be added or removed, but I want you to have that
15 conversation and get to a little bit more granularity, and
16 I want you to submit something to me about that before the
17 next conference.

18 ESI protocol, I assume that there'll be an ESI
19 protocol that's put in place and --

20 MR. PEJIC: Your Honor, this is Mr. Pejic. I don't
21 want to interrupt, but I just wanted to make sure when you
22 say in the letter before the next hearing, is that the
23 January 20th conference call we have scheduled? Just to
24 make sure.

25 THE COURT: Yes.

1 PROCEEDINGS 26

2 MR. PEJIC: Very good. Thank you, your Honor.

3 THE COURT: With respect to the ESI protocol,
4 you're going to need one. Have you talked at all about ESI?

5 MS. BUTLER: Your Honor, this is Marla Butler. I
6 believe the Protective Order has -- well, it definitely
7 has ESI provisions in it. And if my understanding of what
8 you mean by "ESI protocol is correct, I think that protocol
9 is built into the Protective Order that your Honor has
10 already signed off on.

11 MR. PEJIC: This is Mr. Pejic --

12 THE COURT: So you're all --

13 MR. PEJIC: I think I agree, but I look forward to
14 your Honor's direction.

15 THE COURT: Okay. I just want to make sure that
16 you have -- that you're satisfied that you're not going to
17 have a lot of disputes regarding electronic searches and so
18 forth. And I want to direct you to -- I have a detailed
19 talking points or discussion topics document on my web
20 page. And so I just would ask that each side take a look
21 at that and just think about whether there needs to be any
22 further supplementation or any issues that might need to be
23 anticipated. I think that's less urgent than some of the
24 other things that we're talking about. But just take a look
25 at that and make sure that, if there are issues, that you

1 PROCEEDINGS 27

2 talk about them to try to minimize ESI disputes going
3 forward, okay?

4 MR. PEJIC: Very good, your Honor.

5 MS. BUTLER: Will do, your Honor.

6 THE COURT: All right, now, let's talk about the
7 interrogatories. Even though I'm usually paperless, in fact
8 you all gave me so many papers and so many charts, I have
9 printed them out. Okay, so the contention interrogatories,
10 having reviewed all of these interrogatories, I believe
11 that they are largely inappropriate at this time, and they
12 are not consistent with the rules in this district for the
13 purpose -- you know, for this stage of the case, and I
14 don't think that they're designed to minimize discovery.

15 So there are many of the interrogatories that are
16 seeking documents, and really, the information can be
17 obtained through documents or, alternatively, through
18 deposition more efficiently than what you've posed. I mean,
19 in this district we really don't use interrogatories like
20 this, and particularly at the early stage of the case. And
21 some of the interrogatories really could be significantly
22 narrowed. For example, interrogatory number one, you could
23 say, you know, "Provide the individuals with knowledge and
24 information about GE's decision to enter into diligence
25 activities." That would be appropriate.

1 PROCEEDINGS 28

2 MR. PEJIC: Okay.

3 THE COURT: If you want to have those -- if you
4 want to have them identify those people with knowledge and
5 information.

6 Interrogatory two, if you want, "Identify a person
7 with knowledge and information about who are the GE
8 diligence personnel who had access to Spectrum's
9 information." That would be appropriate.

10 Now, I don't know whether you want to revise all
11 of these just to identify the people with knowledge and
12 information, but by revising the interrogatories to ask
13 about the people with knowledge and information as to the
14 subject of each interrogatory, you therefore can, with
15 those responses, determine, better determine who are the
16 deponents that you want to depose.

17 MR. PEJIC: Thank you, your Honor.

18 THE COURT: Or, alternatively, it -- maybe there's
19 30(b)(6) depositions that you need to take.

20 So I don't think these interrogatories are
21 appropriate. I think if you want to revise them consistent
22 with our rules, you can do that; but that may not be
23 necessary given the exercise I've asked you to engage in
24 regarding, you know, giving more granularity to the
25 potential witnesses in each of the different categories of

1 PROCEEDINGS 29

2 claims in the case -- claims and counterclaims, I should
3 say.

4 MR. PEJIC: Understood.

5 MS. BUTLER: Your Honor -- sorry, I didn't meant
6 to talk over anyone.

7 THE COURT: Go ahead, Ms. Butler.

8 MS. BUTLER: Thank you. So I will just note that,
9 I guess reminding folks that this activity took place in
10 the 2009-2012 time frame. For GE to identify individuals
11 who may have had knowledge of certain subject matters, what
12 we will have to do, to the extent, you know, we haven't
13 identified those individuals already through what we've
14 done, we're going to have to look to documents to do that.
15 And that really does get into, you know, Rule 33d land. And
16 so I just want to make clear that, you know, in order to
17 answer interrogatories of the type that you just gave as
18 examples, GE will be looking to the same documents that we
19 have produced and are still producing to Spectrum.

20 THE COURT: All right, well, I disagree that it's
21 33d land. I do think at this point you should know who some
22 key witnesses are; and pursuant to the federal rules, you
23 would be required to supplement. And so, certainly, to the
24 extent you learn that there's somebody else who's
25 knowledgeable, the interrogatory that I'm suggesting is

1 PROCEEDINGS 30

2 appropriate is to name some people, not every last single
3 person who might have knowledge. You know, the point of
4 this and the point of discovery is to get to the people who
5 have the most, the key people. And so if it turns out you
6 need to supplement an interrogatory response, you can
7 supplement it later on. But, certainly, at this point, you
8 must have at least one person who knows about --

9 MS. BUTLER: Absolutely.

10 THE COURT: -- the subject better.

11 MS. BUTLER: Absolutely, your Honor. And I think
12 you're saying that you're not -- I guess it wouldn't be
13 requiring GE to identify every single person. That makes
14 complete sense to me for GE to identify the key people,
15 absolutely. You know, we know who those people are. We're
16 still learning, and we understand an obligation to
17 supplement not only under the -- under Rule 33 as an
18 interrogatory, but under our initial disclosures, as well.
19 So GE is, of course, fine with that.

20 THE COURT: And what I'm saying is under the local
21 rules pertaining to the interrogatories, the question is
22 identify persons with knowledge and information; it's not
23 all persons. I mean, that's --

24 MS. BUTLER: Interrogatory number two is in fact
25 all persons. That's why I'm raising it because that's how

1
2 it's stated.

3 THE COURT: But that's not appropriate because
4 that's not getting to what -- that's not useful, even, to
5 the parties propounding the interrogatory. You want to get
6 to the key people. So I am going to deny the request to
7 serve the -- I'm denying, I am denying the request to serve
8 the contention interrogatories. I'm directing the parties
9 to talk about the key people and to make their initial
10 disclosures a little bit more granular with respect to
11 potential witnesses as you now know, based on the current
12 facts.

13 And the, Mr. Pejic, if you think that you need a
14 few interrogatories identifying people with knowledge on
15 certain subjects, you can serve those, consistent with the
16 rule. But remember, there's a limitation on the number of
17 interrogatories.

18 MR. PEJIC: Yes, your Honor.

19 THE COURT: You may want to wait. Usually,
20 interrogatories I find are not that useful in practice.
21 Contention interrogatories can be propounded toward the end
22 of the case, and it may be more appropriate to do that, or
23 separately request to admit. And that can be done later on
24 in the case.

25 MR. PEJIC: Understood, your Honor.

THE COURT: Okay, so, now, we've gotten through a lot of issues. Let's talk now about the claim contentions, the invalidity contentions, the inventorship and the trade secrets. All right, as I was going through all of this stuff, I had a conversation with my law clerk Evan, who is on the call, saying we should have an Excel spreadsheet with all of this stuff, and then I thought you all should create an Excel spreadsheet for me to keep it all straight, because there's a lot of overlap; and, personally, I like to see things laid out in an Excel spreadsheet.

But let me just first start with some of the trade secret issues. So, Mr. Pejic, I have -- what I've done is I've just created a list of the trade secrets that are still in the case, based on Judge Broderick's opinion. And the only one that I saw in your invalidity contentions were E, pertaining to 439; and I, pertaining to 595. Are there other trade secrets that you say were incorporated into either of those two patents in suit?

MR. PEJIC: I do not believe so. I'll confirm, but I do not believe so. We would have included --

THE COURT: Okay. Okay. So that's one thing that I do want you to be very clear about now or before the next conference.

Two, besides the two patents in suit, you identify

1 PROCEEDINGS 33

2 approximately 17 -- am I correct? -- 17 other GE patents
3 that you believe have incorporated your trade secrets --

4 MR. PEJIC: That is correct.

5 THE COURT: -- is that correct?

6 MR. PEJIC: That is correct.

7 THE COURT: Okay. So in your reply and
8 counterclaim you identify some trade secrets with respect
9 to some of those patents but not fully. So what I wanted
10 to see is I want to see a chart where you have the 17
11 patents and you are tying trade secret A or B or C to those
12 patents. So if you -- so what I'm contemplating is some
13 kind of -- maybe it's -- an Excel is pretty easy to use,
14 but if you want to use some other format, you can. But what
15 I'm contemplating is something where you have the 17
16 patents down one column and then you have the trade secrets
17 A, B, C, D, E, you know, all of the ones that are still in
18 across the top, and then you, in the respective row and
19 column you can say this is used in this patent with respect
20 to claims -- because I assume that these trade secrets are
21 incorporated only with respect to certain claims in the
22 patents.

23 MR. PEJIC: This is Mr. Pejic again, your Honor.
24 Some of the patents actually claim the technology, and
25 those are the patents that are subject to the correction

of inventorship as well as the trade secret misappropriation; and there is a small subset of the patents that do not claim but do disclose in the specification the misappropriated trade secret. But this information --

THE COURT: Okay. So that needs --

MR. PEJIC: I'm sorry, your Honor.

THE COURT: I'd like to see that in the chart.

MR. PEJIC: Yes, very much. We actually have something along those lines -- it's probably in Word -- but we'll distill the information out of the Amended Complaint into a chart form for you.

THE COURT: Yes. So for each of those patents -- so every single one, and if it relates to inventorship, you know, you need to make that clear if it's inventorship and disclosure or just disclosure, that needs to be made clear, and that's something that needs to be provided to GE.

MR. PEJIC: Your Honor, this is actually all set out in the First Amended Complaint in the discussion of --

THE COURT: Right. I thought so. I thought --

MR. PEJIC: -- but we will certainly distill it for GE, as well.

THE COURT: Yes. I thought that most of it was as I was reading through it. But I think in chart format it

1 PROCEEDINGS 35

2 would be a little bit easier.

3 And then with respect to these trade secrets --

4 MS. BUTLER: Your Honor?

5 THE COURT: Yes.

6 MS. BUTLER: Your Honor, if I could just ask for a
7 point of clarification on what Spectrum's going to be
8 required to do? Are you requiring Spectrum to just
9 identify, you know, trade secret A, for example, is found
10 in the 123 patent, or are you requiring Spectrum to say
11 trade secret A is disclosed in column 4, lines 20 through
12 25 of the 123 patent and is claimed in claim 3 of the 123
13 patent?

14 MR. PEJIC: I would assume it's the latter, Marla,
15 only --

16 THE COURT: Yes.

17 MR. PEJIC: -- because that's what --

18 THE COURT: It is the latter.

19 MR. PEJIC: -- is in the Complaint, that
20 information.

21 MS. BUTLER: Thank you, your Honor. Thank you,
22 your Honor.

23 THE COURT: Yes, yes, it's the latter; it's the
24 latter. And because I think that will provide actually a
25 lot of clarity for me, and I think that such a chart would

be extremely helpful to Judge Broderick when he's looking at certain things for purposes of dispositive motions.

MR. PEJIC: You bet, your Honor.

THE COURT: So I would like to see it, I think he should see it, and then frankly, that's -- we're going to talk about the claims and the invalidity contentions in a moment -- but I think that would be very, very helpful.

And then with respect to some of the trade secrets, there's some of the trade secrets that are still in the -- there's some of them where they were dismissed for claims arising after November 13, 2013. So those are trade secrets E, G, I, J, N. And so I guess what I think also should potentially be included in the chart -- and maybe you can't do it in Excel, maybe you have to do it in a Word chart, that's fine -- I think you need to make clear -- provide a little bit more detail about the timing. Because I guess some of the patents that were filed by GE were filed after the November 13 date, but the knowledge was provided, what I understand Spectrum to be alleging is that the knowledge was provided in earlier years, 2009 through 2012 and due diligence and that that knowledge began to be used and prepared for the patents that were filed after that date. That's what I understand [indiscernible] to be saying, is that right?

1 PROCEEDINGS 37

2 MR. PEJIC: This is Mr. Pejic; yes, your Honor,
3 that's absolutely correct.

4 THE COURT: Okay. And so I think you're going to
5 need to be clear about that because there may be some
6 patents where that argument doesn't apply. So you need to
7 make clear, with respect to the timing, if there's some
8 patents where you're [indiscernible] you need to make clear
9 as to the timing whether you're making that kind of
10 allegation as to all of the 17 patents or just some of them
11 so that that statute-of-limitations issue is teased out a
12 little bit more. Okay?

13 MR. PEJIC: Very good, your Honor. One quick
14 point, question on clarification. How should we provide
15 this chart to your Honor?

16 THE COURT: Well, first I want you to provide it
17 to the other side; and then I think what you need to do is
18 provide it to me. You can provide it under seal since it's
19 involving a trade secret. So what you can do is just file
20 it with the request to seal, and I'll grant that request.
21 But there needs to be that request to seal.

22 MR. PEJIC: Understood, your Honor. Thank you.

23 MR. GREENBLUM: Your Honor, this is Neil
24 Greenblum. If I could just --

25 THE COURT: -- would be very helpful in discovery

1 PROCEEDINGS 38

2 conferences going forward. Okay.

3 Who was that?

4 MR. GREENBLUM: Your Honor, this is Neil Greenblum
5 for plaintiff. Just one point, just to close the loop for
6 you so that you can get a more complete picture. The two
7 patents that are in suit were the two patents that were
8 filed after the disclosure; and therefore after that date
9 there is no trade secret. Those are the two patents that
10 we're being sued upon.

11 THE COURT: Right. I understand.

12 MR. GREENBLUM: Okay. Thank you.

13 THE COURT: I understand. But there's other
14 patents that you're claiming inventorship for or that
15 incorporate your trade secrets, and they were all applied
16 for and obtained at different dates along the way. And I
17 don't know if this statute-of-limitations issue applies to
18 any of those.

19 MR. GREENBLUM: Understood.

20 THE COURT: So that's what needs to be teased out
21 and clarified.

22 Now, with respect to some of the trade secrets
23 seem to me to be very general. So, for example -- and GE
24 pointed this out -- trade secret Q. That seems to me to be
25 a very general statement. It seems to me that many kinds of

1 computer devices or other electronic devices do need
2 something, the generic system mentioned, in Q. And so in
3 reading through all of the materials, I understand that
4 VERITON has a specific type of Q system. And I think there
5 needs to be a little bit more clarity on what's the novelty
6 or the particular secret pertaining to that system. That,
7 to me, doesn't seem quite specific enough. I'm not a
8 technical person at all, but I know that this is -- you
9 know, the subject matter of Q is an issue for many, many
10 machines.
11

12 MR. PEJIC: Your Honor, this is Mr. Pejic. One of
13 the things that will help flesh this out is actually
14 letting the contention interrogatory, which I think your
15 Honor is actually granting right now in putting together
16 this chart, but our response will cite the specific
17 documents that show the specific trade secret. We were not
18 able to do that in the Complaint for obvious reasons and
19 having exhibits. But that's our intention, is to further
20 clarify in those situations the level of what the trade
21 secret was to satisfy your Honor.

22 THE COURT: Okay, that's perfect. So if you're
23 going to cite to documents, that's fine; but be particular
24 about it because it's going to be one or two particular
25 aspects of that Q system, right, that are unique, clearly.

1 PROCEEDINGS 40

2 MR. PEJIC: Yes, your Honor. We will tie it to the
3 sections of the GE patents that we cite and discuss.

4 THE COURT: Wonderful. Okay. So I think that will
5 provide a lot of clarity for the Court, as well, to
6 understand what you're talking about.

7 And let me just see here. These are just
8 examples. And so I'm looking at -- similarly, I'm looking
9 at O, trade secret O. I assume that there is the
10 methodology for optimization, that there's something
11 particular about it, because obviously, the subject matter
12 of that methodology is something that is done and has been
13 done, perhaps not through this type of device before, this
14 type of imaging before, but -- so maybe that's -- I don't
15 know, again; but it seems to me that that could be a little
16 bit more specific.

17 MR. PEJIC: Yes, your Honor. This is Mr. Pejic
18 again. In fact, if you'll note for just trade secret O, we
19 talk about it being disclosed at certain meetings and
20 communications. And those will be what we will be citing.
21 We will be further -- as part of our identification, we'll
22 be further supplementing that to identify and tie the trade
23 secret further to what has been misappropriated.

24 THE COURT: Great. Perfect. Okay.

25 MR. PEJIC: And just one thing, your Honor. As far

1 PROCEEDINGS 41

2 as getting through all these trade secrets, there's still
3 no discovery being provided by defendants based upon this
4 discussion we're having now on identification of trade
5 secrets. How are we going to handle that?

6 THE COURT: Well, let me get through -- we're
7 going to handle that in a second. I mean, you know what you
8 know based on the patents that have been filed, that you've
9 identified, right?

10 MR. PEJIC: Correct.

11 THE COURT: And so they've been disclosed in those
12 patents.

13 MR. PEJIC: Correct, your Honor.

14 THE COURT: So that's the thing, so --

15 MR. PEJIC: But what we don't know is what is
16 included in the GE device that has not been approved yet.
17 We have no discovery of that, and we don't know what's
18 inside it, although we do believe, based upon information
19 and belief and what is shown in the GE patent, that there's
20 also misappropriated trade secrets incorporated into the GE
21 device.

22 THE COURT: Of other -- okay, into the --

23 MR. PEJIC: Into the device itself. And --

24 THE COURT: -- what you're calling --

25 MR. PEJIC: -- trade secrets we've identified in

1 PROCEEDINGS 42

2 the Complaint. We just don't have discovery of the device.

3 THE COURT: You're calling it the imitation
4 device --

5 MR. PEJIC: Yes, your Honor.

6 THE COURT: -- is what you're calling it.

7 So is that imitation device -- and I'm just going
8 to use your language now -- that's one of the patents or
9 patent applications that you've identified, is that
10 correct?

11 MR. PEJIC: No.

12 THE COURT: It's one of the 17 --

13 MR. PEJIC: I'm sorry --

14 THE COURT: -- no.

15 MR. PEJIC: -- the GE device is a culmination of a
16 number of the trade secrets we believe that have been
17 misappropriated. And as far as a patent, I am not sure what
18 your Honor's referring [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

22 THE COURT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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PROCEEDINGS

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[REDACTED]

THE COURT:

[REDACTED]

[REDACTED]

MR. PEJIC: The GE -- no, my understanding --

MS. BUTLER: Your Honor --

MR. PEJIC: -- and Ms. Butler can correct me --

[REDACTED]

THE COURT: Right. Okay. So, Ms. Butler, can you give me some clarification about this so I can understand it?

MS. BUTLER: Yes, your Honor. So Mr. Pejic is correct;

[REDACTED]

MR. PEJIC:

[REDACTED]

MS. BUTLER:

[REDACTED]

[REDACTED]

THE COURT:

So what documents are public about -- public pertaining to the GE device?

MS. BUTLER: So, your Honor, none. And this really gets to the crux of our request that Spectrum identify its trade secrets with specificity because Spectrum filed this case alleging that 17 of its trade secrets are in this device, but by Spectrum's own allegations, it saw this device, you know, through -- this is a quote -- "casual observation" through an open door at a hospital in Israel. And then, after coming to the conclusion based on that casual observation of this device that they had no access to, they asserted 17 trade secrets in this case and then want to turn around and now seek all of the detailed information about the technical workings of this machine before it identifies those trade secrets with

1
2 specificity.

3 And so while, you know, our argument is, you know,
4 it's certainly not that Spectrum can't identify perhaps
5 some later trade secret if it discovers something in GE's
6 discovery, but if Spectrum has alleged that these 17 trade
7 secrets are in this device, then tell us what those trade
8 secrets are; and you don't need GE's technical information
9 to do that because they're your trade secrets. They're
10 their trade secrets, and they should tell us specifically
11 what those trade secrets are and not look to our device to
12 find them.

13 THE COURT: Okay. So let me just ask some
14 clarifying questions. Mr. Pejic, the trade secrets that are
15 still in the case all seem to have pertinence to the
16 patents in suit.

17 MR. PEJIC: They --

18 THE COURT: Or at least two of them do have
19 pertinence to the patents in suit, and they all have
20 pertinence to the VERITON and the VERITON-CT, right?

21 MR. PEJIC: I don't know. If we're talking about
22 the patents that GE has, those patents misappropriate one
23 or more of the Spectrum trade secrets. And you'll see this
24 in the chart. And I don't know how the VERITON relates to
25 those patents. There are two patents in suit that GE has

1
2 asserted against the VERITON but none others.

3 THE COURT: Okay, so the VERITON -- let me just
4 restate things for my own clarification and my own
5 understanding. The VERITON and the VERITON-CT, as I
6 understand it, are the scanning machines that can take
7 different scans -- the person, the patient gets some sort
8 of radioactive material that then goes through the body,
9 their organs, and then they're put in the machine and the
10 cameras on the machine or the detectors on the machine then
11 create an image that is -- that Spectrum says is a state-
12 of-the-art image for doctors or radiologists to take a look
13 at to see if there's a problem with the heart or other
14 organs in the body or the brain or whatever part of the
15 body it's looking at.

16 MR. PEJIC: You're correct, your Honor.

17 THE COURT: And it's -- is that right? That's the
18 machine?

19 MR. PEJIC: Yes, you're correct.

20 THE COURT: In layperson's terms. And I, myself,
21 as I'm sure people on this call, have been in machines like
22 an MRI machine or have seen on TV people going into an MRI
23 or a CAT scan machine, and they are on a table and they go
24 into -- they get rolled into some kind of scanner and it
25 makes all kinds of clanky noises and then it goes on for

1 PROCEEDINGS 47

2 however amount of time, and then an image pops up on the
3 computer. So this is of that ilk, the VERITON is of that
4 ilk but it's using radiation for the imaging; is that
5 right? That's the --

6 MR. PEJIC: Fair enough, your Honor.

7 THE COURT: -- aspect of it? Okay. And so the
8 alleged imitation device, as Spectrum believes it is, is
9 essentially -- you're saying it's doing the same thing.
10 It's doing the -- you think it's that kind of device using
11 radiation to create images, all the same kinds of images
12 that the VERITON can do.

13 MR. PEJIC: And using Spectrum technology to do
14 so, yes, your Honor.

15 THE COURT: And using the technology, okay. But
16 you don't have --

17 MS. BUTLER: Can I make a point?

18 THE COURT: But there's no patent application,
19 and there's no public documents that you've -- that
20 describe the GE machine in more detail, is that correct?

21 MR. PEJIC: You're correct, your Honor. All we
22 have is GE's patent applications and patents, which we
23 reasonably believe relate to their device, but we have had
24 no discovery, and there's nothing public about their
25 device.

1 PROCEEDINGS 48

2 THE COURT: Okay. So as I understand it, the 17
3 or so patents that you've identified, you think some or all
4 of that technology may -- that uses your trade secrets,
5 according to you, has been incorporated into this imitation
6 device, is that right?

7 MR. PEJIC: Yes. This is Mr. Pejic. You're
8 correct, your Honor.

9 THE COURT: Okay, fine. All right, Ms. Butler, go
10 ahead.

11 MS. BUTLER: I was just going to say that, you
12 know, what your Honor described, the type of device that
13 the VERITON is, it's a spect machine, and this technology
14 generally has been around, I believe, since the '70s or
15 '80s. And that's why I just want to make the point clear
16 that the device itself, the type of imaging that the
17 VERITON device does is not new --

18 THE COURT: Right. I understand --

19 MS. BUTLER: -- which makes it --

20 THE COURT: Yes. I understand that the type of
21 imaging is not new. What I understand this case to
22 pertain to is particular technology that is alleged to
23 improve the clarity of the images or to improve the
24 usefulness of the device or make it more multifunctional
25 or cheaper or more safe.

1 PROCEEDINGS 49

2 MS. BUTLER: Correct.

3 THE COURT: There are particular improvements to
4 that existing technology that have combined in the VERITON
5 and that -- that's what I understand that it involves; is
6 that right?

7 MR. PEJIC: Yes, fair enough again, your Honor.

8 MS. BUTLER: That's correct, your Honor. And the
9 one other point I wanted to make that extends from that
10 is, you know -- and I know that we are expecting now to
11 get more specific identification of trade secrets from
12 Spectrum -- but another reason why that's important is
13 because all of that prior art is relevant to determining
14 what Spectrum is now calling a trade secret, whether it was
15 in fact new, whether it was known before Spectrum claims it
16 came up with it. And there is a full body of art that
17 relates to that.

18 MR. PEJIC: May I --

19 THE COURT: Right. Okay.

20 MR. PEJIC: -- ask what prior art, Ms. Butler? I
21 don't understand. Art's not part of the trade secret case.

22 THE COURT: We're going to get to that in a
23 second. But let me just go with the trade secrets for now
24 because I think that's an important piece because this all
25 has to do with inventorship, and it bleeds into and

1 overlaps to some extent with the patent piece.

2
3 Okay, so in the chart that I want Spectrum to
4 create I want you to provide that greater granularity, tie
5 it to the various patents that you've identified, provide
6 citations or documents to the more specific claims within
7 the patent or the specific improvement, because it's
8 unclear to me, when I'm looking at it -- and we'll go to
9 the claim contentions next -- exactly what we're talking
10 about, because I do understand that this type of imaging,
11 this spect imaging, has been around; it's not totally clear
12 to me what's novel in --

13 MR. PEJIC: Well, one thing, your Honor, while it
14 may have been around for a while, the fact that there are
15 still patents being filed and issued on the technology, you
16 know, shows, as your Honor has observed, that even though
17 this technology is known, there are certain things that
18 are new, novel and patent or trade secret protectable,
19 still.

20 THE COURT: Right, right. Sure, I understand.
21 And I'm glad science continues to make improvements on
22 things. So that's what I need -- and think about it, this
23 chart should be -- you should be relating this to
24 particular things so even the Court could say, "Oh, I
25 understand what you're talking about now."

1 PROCEEDINGS 51

2 So now that there's a Protective Order in place,
3 now that you're not talking about a pleading, I want you
4 to lay that out in a chart format.

5 Now let's go to the claim --

6 MR. PEJIC: Your Honor, may I ask for one moment?
7 Where does this leave, again, discovery by GE? Because GE
8 continues to refuse to provide technical discovery,
9 including technical discovery of the 439 and 595 patents,
10 which they've asserted as a patent plaintiff here. We don't
11 have --

12 THE COURT: Okay, so --

13 MR. PEJIC: -- invention disclosure records,
14 nothing related to them. And they refuse to provide that,
15 in addition to all other technical discovery.

16 THE COURT: Okay. Hold on because I want to tell
17 you what I want to get to as to the claim contentions and
18 the invalidity contentions. And then we're going to talk
19 about what may be needed and all -- I think that the --
20 hang on here, let me get the -- I'm just getting my papers
21 out.

22 All right, so what I think is that the trade
23 secret chart that I'm asking you to put together, I think
24 that can be put together without regard to the video
25 inspection. But it seems to me that the video inspection

1 PROCEEDINGS 52

2 should occur before there's additional clarification to the
3 claim contention and the invalidity contentions pertaining
4 to the two patents in suit.

5 MR. PEJIC: Very good.

6 THE COURT: And that's because I think that
7 they're separate, you know, they're separate types of
8 issues. So I do think that the --

9 MR. PEJIC: Plaintiff --

10 THE COURT: So the video inspection that we talked
11 about earlier in the conference I think may eliminate, from
12 what I understand, may eliminate or narrow the patent
13 infringement claims. And --

14 MR. PEJIC: That's true, your Honor, but that
15 still doesn't mean we're not entitled to discovery of the
16 patents from the party asserting the patents.

17 THE COURT: Absolutely. But you have the patents,
18 right? Do you have --

19 MR. PEJIC: We have the patents; we don't have the
20 invention disclosure records, any of the inventor
21 notebooks, all the typical discovery that's given in a
22 patent infringement case.

23 THE COURT: You don't have the intrinsic stuff,
24 the back-and-forth with the patent office and the stuff
25 that you use for a Markman hearing.

1 PROCEEDINGS 53

2 MR. PEJIC: But what we also don't have is dates
3 of conception, dates of reduction to practice, which will
4 all dictate what is prior art, as well.

5 THE COURT: Okay, but do you have the documents
6 that would be used at a Markman hearing?

7 MR. PEJIC: We do have the file wrapper, your
8 Honor, yes.

9 THE COURT: Okay. That's the critical thing that
10 I think you need right now in advance of the Markman
11 hearing, because the Markman hearing is going to then
12 further clarify the claims that are actually in contention.

13 MR. PEJIC: Correct, but the asserting claim
14 should not relate to the discovery that's due from the
15 inventors and the inventor notebooks. Any asserted claim,
16 your Honor, I would --

17 THE COURT: Well, I think --

18 MR. PEJIC: -- entitles a accused infringer to
19 such discovery.

20 THE COURT: Absolutely. I think that this is just
21 a matter of timing and prioritizing what we're doing. So
22 let's just finish this discussion. So I think -- how long
23 will it take you to do this trade secret? It sounds like a
24 lot of the chart you already have in place together. Do you
25 think you can complete that within three weeks or so, by

1
2 the end of the month?

3 MR. PEJIC: I [indiscernible] your Honor, maybe
4 even sooner.

5 THE COURT: Okay. Great. So I want you to prepare
6 that before the end of January, and I want the video
7 inspection to happen before the end of January.

8 Now, let's now talk about these claim contentions.
9 After the video inspection, GE is going to need, it sounds
10 like, or it may need to make a clarification to its claim
11 contention. And I don't know how extensive those changes
12 would be. So what I'd like to do is have GE revise its
13 claim contentions within 14 days after the video
14 inspection. And if you need more time because of, you
15 know, whatever is shown or what-have-you, that you can let
16 me know that.

17 MS. BUTLER: Absolutely, your Honor, we're happy
18 to do that.

19 THE COURT: Okay. Now, with respect to the patent
20 and this idea of when they were first conceived, I guess
21 what -- I imagine that's a date that is -- again, I'm not
22 an expert in patent law, so I just -- so just speak up if
23 I've gotten something wrong -- that applies to both sides.
24 But the -- I assume that the date first conceived is
25 pertaining, like, when the inventor says, "Eureka! This is

1 PROCEEDINGS 55

2 the new novel way I'm going to use this and put it into the
3 device."

4 MR. PEJIC: Correct, your Honor.

5 THE COURT: But I also imagine that that date is
6 somewhat hard to pin down when you're talking about a
7 continuum, when you're talking about people who are
8 involved in the field, skilled in this art and are
9 constantly working to improve products. And so that it may
10 be --

11 MR. PEJIC: Yes, your Honor, you're absolutely --

12 THE COURT: -- [indiscernible]

13 MR. PEJIC: and that's why typically in these
14 patent infringement cases the patentee provides inventor
15 notebooks and development records and that type of
16 information because that is the actual discovery and
17 information that will dictate the "Eureka" moment as your
18 Honor characterized it.

19 THE COURT: Yes. So -- all right. And so these
20 patents were filed in 2014.

21 MR. PEJIC: Right.

22 THE COURT: So let me ask you, Ms. Butler, do you
23 know now when there was a first draft of the patent
24 application, or, like, do you know when the patent
25 prosecution started?

MS. BUTLER: So, your Honor, we are in the process of gathering and producing this information. My colleague, Mr. Godshalk, sent Mr. Pejic an email over the last couple of days that said that we were considering their request to pull this information out kind of separate from the technical documentation related to GE's system and produce it. And we are in the process of searching for, gathering and producing information, technical information, like invention disclosures, etc., to the extent they're not privileged -- understand oftentimes they're privileged. But we're in the process of gathering that information to produce it.

MR. PEJIC: Okay. And so is --

THE COURT: Because it seems -- I'm sorry, go ahead, Mr. Pejic. What were you saying?

MR. PEJIC: -- inventor notebooks, as well, because those would be contemporaneous with any invention disclosure and not be privileged.

MS. BUTLER: I'm not sure if Mr. Pejic is directing that question to me.

MR. PEJIC: I'm just asking you because you mentioned invention disclosure agreements, but I'm just seeking clarity of whether GE would be producing develop records like inventor notebooks that would at least

1 PROCEEDINGS 57

2 reflect the same type of information that would be an
3 invention disclosure statement, which I typically don't
4 find to be privileged. But to the extent it is, the
5 inventor notebooks and develop records would be
6 contemporaneous.

7 MS. BUTLER: To the extent they exist and would be
8 responsive to Spectrum's document requests related to the
9 439 and 595 patents, GE is looking for and will produce
10 those documents.

11 THE COURT: Okay. Good. So I want you to
12 prioritize that because what I understand is that this
13 information will clarify, as well, some of the prior art
14 that Spectrum has identified and whether some of it is out
15 the window. Is that fair to state, Mr. Pejic?

16 MR. PEJIC: That's -- yes, your Honor, you're
17 correct.

18 THE COURT: Okay. So -- and it seems to me that, I
19 mean, at the very least, GE knows when it sent an email to
20 its patent prosecution counsel to say, "Hey, we have a new
21 patent, 439; this is what -- you know, let's get started on
22 it." You know the date when that communication occurred,
23 for sure, you know.

24 MS. BUTLER: So we can find that out, your Honor.
25 And I just want to just state -- and I've got to look into

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2 this further -- but I believe both of these patents are
3 post AIA patents, so they were filed after the America
4 Invents Act, which changed the patent system to kind of a
5 first inventor file, the first to file system, which may
6 have an impact on the priority dates.

7 THE COURT: Right.

8 MS. BUTLER: So all these records may not be
9 relevant, anyway. I'm not saying that we're not going to
10 produce them, because I think they're potentially relevant
11 to other issues besides the date of the invention.

12 THE COURT: Right.

13 MS. BUTLER: But I do want to make that point so
14 we don't end up going down that path if we shouldn't.

15 THE COURT: Right, right, yes, no, I understand.
16 But it seems to me that this is an important thing to kind
17 of square away because it can potentially narrow discovery,
18 narrow issues and then get rid of some of the prior art
19 that's not pertinent. And so the sooner you can get --
20 even if you just find out, you know, some of these dates
21 that you know when the patent prosecution, you know, when
22 the person was first engaged to apply for, you know, and
23 has not yet put together all of 439, but you know when
24 that date was, that gives you a little bit of information.
25 You could just convey that on the phone, I suppose, and

1 then it could be -- and that may help expedite what
2 plaintiffs are doing in terms of what they need to do for
3 some of their invalidity contentions and what he needs.

4 So I do want you to prioritize finding this
5 information so that -- and producing this information
6 because I think it's then going to relate to the invalidity
7 pieces. So let's see, all right, so I'm looking at 439 and
8 I'm looking at the claim chart and now I'm looking at the
9 invalidity. So for the invalidity pieces -- you have this
10 prior art that you're talking about; a lot of it is this
11 PCT721.

12 MR. PEJIC: Yes, your Honor.

13 THE COURT: And you have -- in some places you're
14 more detailed with figures and stuff than others. And, for
15 example, you have a picture of this camera. I don't know,
16 for example, the camera, the picture that you have on
17 page 7 of 164131, the specific camera, it's not clear to me
18 if this is in -- like, I don't know the extent to which
19 these patents have this type of camera. I think that you're
20 talking specifically about this, not the camera per se but
21 the counterweight; is that right?

22 MR. PEJIC: And if that's the 439, yes, your
23 Honor.

24 THE COURT: The counterweight feature. So, I mean,

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2 again, I think just in physics, counterweights and pulley
3 systems are not unusual; they've been around for a while.
4 It's not clear to me what's novel about this particular,
5 you know --

6 MR. PEJIC: I think your Honor is seeing the point
7 that Spectrum's trying to make is that these patents are
8 invalid over the prior art, including the PCT.

9 THE COURT: Okay. Well, I mean, I think --

10 MR. PEJIC: That's exactly what our argument is,
11 your Honor.

12 THE COURT: Okay. So -- okay, so --

13 MS. BUTLER: Your Honor, can I respond?

14 THE COURT: Sure.

15 MS. BUTLER: So I think that the issue with
16 Spectrum's invalidity contentions are bigger than even
17 just, you know, a picture without explanation that you
18 pointed out. If you look, your Honor, at the cover pleading
19 of the Spectrum invalidity contentions and you look on
20 page 2, you know, there is -- it's 1A, it says prior art --

21 THE COURT: Well, okay, I actually want to look at
22 the chart. Exhibit A is really more useful --

23 MR. PEJIC: And, your Honor --

24 THE COURT: -- to me.

25 MS. BUTLER: Your Honor, if I could finish

1 PROCEEDINGS 61

2 without --

3 MR. PEJIC: -- she's misrepresenting the fact --

4 MS. BUTLER: -- Mr. Pejic interrupting me.

5 MR. PEJIC: -- they're mixing the --

6 MS. BUTLER: If I could finish?

7 MR. PEJIC: -- the primary references, and that is

8 inappropriate. If you look at the charts, it's very clear

9 what's being applied. And there is no --

10 THE COURT: Mr. Pejic --

11 MR. PEJIC: -- truth to the assertion that there's

12 20 pieces of prior art being asserted but not applied.

13 MS. BUTLER: If I could --

14 THE COURT: Mr. Pejic, please don't interrupt. Let

15 Ms. Butler finish. Everybody will have their chance.

16 Ms. Butler?

17 MS. BUTLER: Thank you, your Honor. So if you look

18 on page 2 of that cover pleading, under 1A it says, "The

19 invalidating prior art to the asserted claims of the 439

20 patent includes," and the very first reference listed there

21 is that 721 application for which Spectrum did provide a

22 claim chart. But following that first bullet are ten or so

23 additional prior art references that Spectrum is claiming

24 here are invalidating.

25 THE COURT: Okay. So this is --

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2 MS. BUTLER: And they've provided no chart.

3 MR. PEJIC: Your Honor, may I --

4 THE COURT: Okay. So this is -- hang on.

5 MR. PEJIC: -- and first I apologize --

6 THE COURT: No.

7 MR. PEJIC: -- for interrupting Ms. Butler.

8 THE COURT: Yes.

9 MR. PEJIC: But this is a sore point between the
10 parties because we've explained --

11 THE COURT: I want you to hold that point because
12 I have another conference. And so we've gotten through a
13 bunch of things today. We have another conference coming
14 up. So a couple of things. You have on your to-do before
15 we next meet, you've got to get the video inspection; you
16 have dates -- Spectrum has a date to clarify the trade
17 secrets and with a chart by the end of January; and GE has
18 a date where it needs to provide greater clarification as
19 to its claim contentions after the video. You need to
20 figure out whether something's changed. And that has to
21 happen 14 days after the video inspection.

22 So I think I need to -- I think that once these
23 things happen, we can then talk a little bit more about the
24 validity chart. And so I want to table the discussion of
25 the invalidity chart, which is going to need some

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refinement. We're going to have to table that to our next conference. Okay? So work on the things that I've talked about today, and then we'll talk again later this month.

MR. PEJIC: Thank you, your Honor.

MS. BUTLER: Thank you, your Honor.

THE COURT: All right, thanks, everybody.

MR. PEJIC: Take care.

THE COURT: Bye-bye.

(Whereupon, the matter is adjourned.)

C E R T I F I C A T E

I, Carole Ludwig, certify that the foregoing transcript of proceedings in the case of Spectrum Dynamics Medical Limited v. General Electric, Docket #18-cv-11386-VSB-KHP, was prepared using digital transcription software and is a true and accurate record of the proceedings.

Signature Carole Ludwig

Carole Ludwig

Date: January 11, 2021